

# **Bain Capital X Coinvestment Fund, L.P.**

**Cayman Islands Exempted Limited Partnership  
Financial Statements  
December 31, 2009**

**Bain Capital X Coinvestment Fund, L.P.**  
**Index to Financial Statements**

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### **Report of Independent Auditors**

To the General and Limited Partners of Bain Capital X Coinvestment Fund, L.P.:

In our opinion, the accompanying statement of assets, liabilities and partners' capital, including the schedule of investments, and the related statements of operations, of changes in partners' capital and of cash flows present fairly, in all material respects, the financial position of Bain Capital X Coinvestment Fund, L.P. at December 31, 2009, and the results of its operations, the changes in its partners' capital and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the General Partner. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these financial statements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by the General Partner, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

*PricewaterhouseCoopers LLP*

March 15, 2010

**Bain Capital X Coinvestment Fund, L.P.**  
**Statement of Assets, Liabilities and Partners' Capital**  
**December 31, 2009**

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**Assets**

Cash and cash equivalents	\$ 17,233,737
Investments at fair value (cost of \$30,784,854)	30,784,854
Other assets	4,063
<b>Total assets</b>	<b>48,022,654</b>

**Liabilities**

Accrued expenses and other liabilities	19,055
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<b>Partners' capital</b>	<b>48,003,599</b>
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Total liabilities and partners' capital	\$ 48,022,654
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The accompanying notes are an integral part of these financial statements.

**Bain Capital X Coinvestment Fund, L.P.**  
**Statement of Operations**  
**Year Ended December 31, 2009**

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**Income**

Interest income	\$ 3,654
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**Expenses**

Management fees, net (Note 5)	1,184,052
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Professional fees and other	638,541
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Total expenses	1,822,593
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Net investment loss	\$ (1,818,939)
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The accompanying notes are an integral part of these financial statements.

**Bain Capital X Coinvestment Fund, L.P.**  
**Statement of Changes in Partners' Capital**  
**Year Ended December 31, 2009**

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	Capital commitment (Note 1)		Balance at December 31, 2008	Net investment loss	Balance at December 31, 2009
\$	1,067,315,000	Limited Partners	\$ 49,772,716	\$ (1,818,304)	\$ 47,954,412
	<u>1,068,383</u>	General Partner (Note 5)	<u>49,822</u>	<u>(635)</u>	<u>49,187</u>
\$	<u>1,068,383,383</u>	Total Partners	<u>\$ 49,822,538</u>	<u>\$ (1,818,939)</u>	<u>\$ 48,003,599</u>

The accompanying notes are an integral part of these financial statements.

**Bain Capital X Coinvestment Fund, L.P.**  
**Statement of Cash Flows**  
**Year Ended December 31, 2009**

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**Cash flows from operating activities**

Net investment loss	\$ (1,818,939)
Adjustments to reconcile net investment loss to net cash used for operating activities:	
Decrease in interest receivable	3,242
Increase in other assets	(2,577)
Increase in accrued expenses and other liabilities	<u>19,055</u>
Net cash used for operating activities	<u>(1,799,219)</u>
Cash and cash equivalents, beginning of year	<u>19,032,956</u>
Cash and cash equivalents, end of year	<u>\$ 17,233,737</u>

The accompanying notes are an integral part of these financial statements.

# Bain Capital X Coinvestment Fund, L.P.

## Schedule of Investments

December 31, 2009

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Number of shares		Cost	Fair value*
<b>The Weather Channel (a):</b>			
	<b>BBN Holdings, Inc.</b>		
307,849	Common stock	\$ 30,784,854	\$ 30,784,854
	<b>Total investments</b>	<b>\$ 30,784,854</b>	<b>\$ 30,784,854</b>

\* Fair value as determined by the General Partner (Note 2)

(a) Investment held via Bain Capital Integral Investors 2006, LLC

The accompanying notes are an integral part of these financial statements.

# **Bain Capital X Coinvestment Fund, L.P.**

## **Notes to Financial Statements**

**December 31, 2009**

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### **1. The Partnership**

#### **Background**

Bain Capital X Coinvestment Fund, L.P. (the "Partnership") is a Cayman Islands exempted limited partnership organized pursuant to the Amended and Restated Agreement of Limited Partnership, as last amended on December 31, 2009 (the "Partnership Agreement"). The Partnership's business activity is to invest the funds of the Partnership in certain transactions concurrently with Bain Capital Fund X, L.P., with the principal objective of achieving appreciation of capital invested. Services are performed for the Partnership by its management company, Bain Capital Partners, LLC (the "Manager") for a management fee (Note 5). The general partner of the Partnership is Bain Capital Partners X, L.P. (the "General Partner"). The Partnership shall continue until December 31, 2017, unless sooner dissolved or extended to a date no later than December 31, 2021, as specified in the Partnership Agreement.

Effective June 30, 2009, Partners were given the opportunity to modify their capital commitment by either increasing their original commitment or decreasing their original commitment by up to 50%. As a result of Partners' elections, overall partner capital commitments were reduced from \$1,799,019,019 to \$1,068,383,383. Through December 31, 2009, \$51,162,104, or 4.79% of the modified commitment amount was contributed to the Partnership. Additionally, \$74,769,227 or 7.00% of the modified committed amount was contributed to the Clear Channel Communications Alternative Investment Vehicles (Note 3). Total uncalled capital as of December 31, 2009 was \$942,452,052. Partners are not able to withdraw from the Partnership.

#### **Income and Expense Allocation**

The Partnership Agreement provides for the allocation of operating income and operating expenses based upon the partners' contributed capital accounts. Gains and losses are allocated in accordance with the Partnership Agreement. Generally, allocations of gains and losses are made as necessary, to ensure that after the Partnership has achieved its Preferred Return (8%) as further defined in the Partnership Agreement, 80% of cumulative realized capital gains and losses through the date of allocation are allocated to all partners on a pro rata basis, based on the partners' contributed capital accounts, and 20% are allocated to the General Partner ("Carried Interest"). Unrealized gains and losses are allocated in the same manner described above as if realized at December 31, 2009.

#### **Distributions**

Distributions are made at the discretion of the General Partner. Cash distributions representing a return of capital are made in proportion to contributed capital. Generally, cash distributions representing profit are made in the same proportion as such profit is allocated to the capital accounts. As specified in the Partnership Agreement, distributions of publicly traded securities are valued at the last trade price or, if unavailable, at the last bid price on the most recent day on which such securities traded prior to the date as of which their value is to be determined.

### **2. Significant Accounting Policies**

#### **Use of Estimates**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America ("GAAP") requires the General Partner to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates. Events or transactions occurring after year end through the date that the financial statements were issued, March 15, 2010, have been evaluated in the preparation of the financial statements.

# **Bain Capital X Coinvestment Fund, L.P.**

## **Notes to Financial Statements**

**December 31, 2009**

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### **Cash and Cash Equivalents**

The Partnership considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. The Partnership has established guidelines relative to diversification and maturities that it believes maintain safety and liquidity. The guidelines are periodically reviewed and modified to take advantage of trends in yields and interest rates.

Included in cash and cash equivalents at December 31, 2009 are overnight offshore time deposits with commercial banks in the total amount of \$144,038 bearing interest at 0.03%, which matured on January 4, 2010.

Additionally, included in cash and cash equivalents is an investment in a money market fund. The money market fund invests in a portfolio of short-term U.S. Treasury securities. The total amount of the Partnership's investment in the money market fund at December 31, 2009 is \$17,039,700 which represents 35% of partners' capital. The Partnership valued its investment in the money market fund based on its closing net asset value at December 31, 2009.

### **Investment Valuation**

In accordance with the authoritative guidance on fair value measurements and disclosures under generally accepted accounting principles, the Partnership discloses the fair value of its investments in a hierarchy that prioritizes the inputs to valuation techniques used to measure the fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The guidance establishes three levels of the fair value hierarchy as follows:

- Level 1 - Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Partnership has the ability to access at the measurement date;
- Level 2 - Inputs other than quoted prices that are observable for the asset either directly or indirectly, including inputs in markets that are not considered to be active;
- Level 3 - Inputs that are unobservable.

Inputs are used in applying the valuation techniques discussed below and broadly refer to the assumptions that the General Partner uses to make valuation decisions, including assumptions about risk. Inputs may include recent transactions, earnings forecasts, market multiples, future cash flows, and other factors. An investment's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The categorization of an investment within the hierarchy is based upon the pricing transparency of the investment and does not necessarily correspond to the General Partner's perceived risk of that investment.

Generally, the majority of our private equity investments are valued utilizing unobservable inputs, and are therefore classified within level 3. The General Partner's determination of fair value is based upon the best information available for a given circumstance and may incorporate assumptions that are management's best estimates after consideration of a variety of internal and external factors. In establishing the fair value of an investment the General Partner will first consider recent transactions in the same or similar securities including the initial purchase transaction of the security being valued or any recent financing round. Otherwise, the General Partner generally employs two valuation methodologies when determining the fair value of a private equity investment.

# Bain Capital X Coinvestment Fund, L.P.

## Notes to Financial Statements

December 31, 2009

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The first methodology is a market multiples approach that considers a specified financial measure (such as EBITDA) and recent public market and private transactions and other available measures for valuing comparable companies (i.e. "Market Approach"). The second methodology determines a valuation by discounting future cash flows (i.e. "Income Approach"). The ultimate fair value recorded for a particular investment will generally be within the range suggested by the two methodologies utilizing the judgment of the General Partner. The General Partner may also adopt the valuation of an underlying partnership interest provided by the partnership unless the General Partner determines in the good faith exercise of its discretion that any such valuation is unreasonable or inappropriate under the circumstances. Because of the inherent uncertainty of valuation, this estimated fair value may differ significantly from the value that would have been used had a ready market for the security existed, and the difference could be material.

Investments whose values are based on quoted market prices in active markets, and are therefore classified within level 1, generally include active listed equities. The General Partner does not adjust the quoted price for such instruments, even in situations where the Partnership holds a large position and a sale could reasonably impact the quoted price.

Effective January 1, 2009, the Partnership adopted the authoritative guidance under GAAP on determining fair value when the volume and level of activity for the asset or liability have significantly decreased and identifying transactions that are not orderly. Accordingly, if the Partnership determines that either the volume and/or level of activity for an asset or liability has significantly decreased (from normal conditions for that asset or liability) or price quotations or observable inputs are not associated with orderly transactions, increased analysis and management judgment will be required to estimate fair value. Valuation techniques such as an income approach might be appropriate to supplement or replace a market approach in those circumstances. The guidance also provides a list of factors to determine whether there has been a significant decrease in relation to normal market activity. Regardless, however, of the valuation technique and inputs used, the objective for the fair value measurement in those circumstances is unchanged from what it would be if markets were operating at normal activity levels and/or transactions were orderly; that is, to determine the current exit price.

The following table presents the investments carried on the Statement of Assets, Liabilities and Partners' Capital by level within the valuation hierarchy as of December 31, 2009.

### Assets at Fair Value as of December 31, 2009

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	Level 1	Level 2	Level 3	Total
Media	\$ -	\$ -	\$ 30,784,854	\$ 30,784,854

The following table includes a rollforward of the amounts for the year ended December 31, 2009 for the investment classified within level 3.

### Fair Value Measurements Using Level 3 Inputs

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	Balance at December 31, 2008	Net purchases and sales	Net transfers in/(out)	Balance at December 31, 2009
Media	\$ 30,784,854	\$ -	\$ -	\$ 30,784,854

**Bain Capital X Coinvestment Fund, L.P.**  
**Notes to Financial Statements**  
**December 31, 2009**

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**Investment Transactions, Income and Expenses**

Investment transactions are accounted for on the closing date. Realized gains and losses on investment transactions are determined using the specific identification method. Interest income and expenses are recorded on the accrual basis. Dividend income is recorded on the ex-dividend date, net of applicable withholding tax. The General Partner analyzes dividends received from portfolio companies to determine whether they have been accretive to the Partnership's investment based on an analysis of enterprise value and information provided by investment banks, third party valuations or other parties. The financial statements reflect the character of such dividends as required under generally accepted accounting principles.

In some cases, the Partnership invests in portfolio companies directly and in some cases invests in portfolio companies indirectly through one or more holding companies or other entities in which other parties affiliated with the Partnership and/or the Manager may also be investors. In cases where the Partnership invests indirectly through such an entity, the Schedule of Investments reflects the Partnership's proportionate share of the underlying investment.

**Income Taxes**

The Partnership is a qualified intermediary and intends to conduct its operations so that it will not be engaged in a United States trade or business and, therefore, will not be subject to United States federal income or withholding tax on its income from United States sources. The Partnership may be subject to taxes in certain foreign jurisdictions. Under the current laws of the Cayman Islands, there are no income, estate, transfer, sales or other Cayman Islands taxes payable by the Partnership. Accordingly, no income tax provision is required in these financial statements.

The Partnership adopted the authoritative guidance on accounting for and disclosure of uncertainty in tax positions (Financial Accounting Standards Board - Accounting Standards Codification 740) on January 1, 2009, which required the General Partner to determine whether a tax position of the Partnership is more likely than not to be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. For tax positions meeting the more likely than not threshold, the tax amount recognized in the financial statements is reduced by the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement with the relevant taxing authority. The General Partner has determined that there was no effect on the financial statements from the Partnership's adoption of this authoritative guidance.

The Partnership files tax returns as prescribed by the tax laws of the jurisdictions in which it operates. In the normal course of business, the Partnership is subject to examination by federal, state, local and foreign jurisdictions, where applicable.

**Organization Costs**

Costs of \$19,996 incurred in conjunction with the organization of the Partnership were expensed during the year ended December 31, 2009, and are included in professional fees and other on the Statement of Operations.

# Bain Capital X Coinvestment Fund, L.P.

## Notes to Financial Statements

December 31, 2009

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### 3. Alternative Investment Vehicles

In order to accommodate tax, legal or similar concerns of any partner or the Partnership with respect to one or more investments, the General Partner may establish one or more Alternative Investment Vehicles (“AIVs”) and require that the limited partners hold their interests’ in such investment through such AIV rather than through the Partnership. Contributions to an AIV shall reduce the limited partners’ uncalled capital subscription as if they had been made to the Partnership. The terms and conditions applicable to an AIV shall be substantially the same as the terms and conditions applicable to the Partnership. However, the provisions of the AIVs (including provisions relating to allocations and distributions of profits and losses) will be coordinated and, if necessary, will be adjusted to carry out the purpose and intent of the Partnership Agreement. The AIV financial statements should be read in conjunction with the Partnership’s financial statements.

As of December 31, 2009, the General Partner has established four AIVs and contributed the following portion of the Partnership’s committed capital to each:

	<b>Commitment contributed:</b>	<b>Contributed to facilitate investment in:</b>
Bain Capital (CC) X Coinvestment, L.P.	\$ 27,718,524	Clear Channel Communications
Bain Capital (CC) X Coinvestment Offshore, L.P.	34,394,652	Clear Channel Communications
Bain Capital (CCD) X Coinvestment, L.P.	7,958,252	Clear Channel Debt
Bain Capital (CCD) X Coinvestment Offshore, L.P.	4,697,799	Clear Channel Debt
	<hr/> <u>\$ 74,769,227</u>	

### 4. Investments by Industry Type and Geographical Location Categorization

At December 31, 2009, the Partnership held an investment in the following industry group:

	<b>Cost</b>	<b>Fair value</b>	<b>Fair value as a percentage of partners' capital</b>
Media	<u>\$ 30,784,854</u>	<u>\$ 30,784,854</u>	<u>64%</u>

At December 31, 2009, the geographical categorization based on fair value of investments is as follows:

	<b>Cost</b>	<b>Fair value</b>	<b>Fair value as a percentage of total investments</b>
United States of America	<u>\$ 30,784,854</u>	<u>\$ 30,784,854</u>	<u>100%</u>

The Partnership may have risks associated with the concentration of investments in one industry or geographical area. The Partnership’s ability to liquidate certain of its investments may be inhibited since the issuers may be privately held or the Partnership may own a relatively large portion of the issuer’s equity securities.

# **Bain Capital X Coinvestment Fund, L.P.**

## **Notes to Financial Statements**

**December 31, 2009**

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### **Market and Credit Risks**

General fluctuations in the market prices of investments may affect the value of investments held by the Partnership. Instability in the securities market may also increase the risk inherent in the investments. The ability of the portfolio companies to refinance debt securities may depend on their ability to sell new securities in the public high yield debt market or otherwise.

The Partnership may be invested in leveraged companies which offer the opportunity for capital appreciation. Such investments also involve a higher degree of risk. In instances where the Partnership's investment involves leverage, the effects of recessions, operating problems and other general business and economic risks may have a more pronounced effect on the profitability or survival of the investments.

### **5. Related Party Transactions**

The Partnership is a party to an investment and advisory agreement with the Manager. In consideration for a management fee, the Manager provides administrative and operational services to the Partnership. The annual management fee is 2% of the aggregate contributed capital, as defined in the agreement, and is subject to certain reductions as described in the agreement. The General Partner has reduced the management fee with respect to interests in the Partnership held by certain affiliates. The management fee is payable in advance on the first business day of each quarter.

For the year ended December 31, 2009, the Manager received \$489,573 in corporate service fees from the Partnership's portfolio companies. In accordance with the investment advisory agreement, the Manager retained all of these fees and no reductions were applied to management fees.

For the year ended December 31, 2009, transaction-related financial advisory fees allocable to the Partnership for offset purposes pursuant to the Investment and Advisory Agreement were zero and expenses for deals not consummated borne by the Manager were zero. In accordance with the Investment and Advisory agreement, 50% of such fees in excess of such expenses are to be applied as a reduction to future management fees. During the year ended December 31, 2009, the Partnership's pro rata share of 2008 expenses for deals not consummated borne by the Manager was reduced by \$155,984, of which \$77,992 is to be applied as a reduction to future management fees. Additionally, during the year ended December 31, 2009, \$210,567 of expenses for deals not consummated were paid directly by the Partnership, of which 50%, or \$105,283, is to be applied as a reduction to future management fees. Therefore, as of December 31, 2009, \$183,275 remains to be used to reduce future management fees.

During the year ended December 31, 2009, \$1,332,056 of offsets remaining from December 31, 2008 was used to reduce 2009 management fees.

# **Bain Capital X Coinvestment Fund, L.P.**

## **Notes to Financial Statements**

**December 31, 2009**

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The following table includes a reconciliation of the net investment loss allocated to the General Partner for the year ended December 31, 2009 pursuant to the Partnership Agreement:

	<b>Net investment loss</b>
General Partner:	
General Partner, excluding Carried Interest	\$                 (635)
Carried Interest	-                 -
Total General Partner	\$                 (635)

### **6. Contingencies**

In conjunction with the Partnership's investment activities, the Partnership is a party to agreements which contain certain representations and warranties. As such, the Partnership may, from time to time, be a party to suits and claims arising in the normal course of business. The General Partner believes that any losses resulting from the resolution of such claims would not have a material adverse effect on the Partnership's accompanying financial statements.

### **7. Other Required Disclosure**

The limited partners' net Internal Rate of Return ("net IRR") since the inception of the Partnership through December 31, 2009 and December 31, 2008 is (5.0%) and (10.1%), respectively. The net IRR is net of management fees, expenses and Carried Interest. The calculation is based on the assumption that capital contributions and cash and stock distributions occurred on the last day of the fiscal quarter. The fair value of the limited partners' capital accounts is assumed to be the terminal cash flow.

The ratio of operating expenses before and after Carried Interest to limited partners' average capital is 3.7%. The ratio of operating expenses before and after Carried Interest to limited partners' committed capital is 0.2%. The ratio of net investment loss before Carried Interest to limited partners' average capital is (3.7%). These financial highlights are for the limited partners taken as a whole, exclusive of the General Partner, for year ended December 31, 2009.

The General Partner believes that the disclosure of net investment loss and expenses to limited partners' average capital and committed capital may be inconsistent with the basic concept that an investment in the Partnership is a long term investment and therefore may not necessarily be appropriate measures for the Partnership.